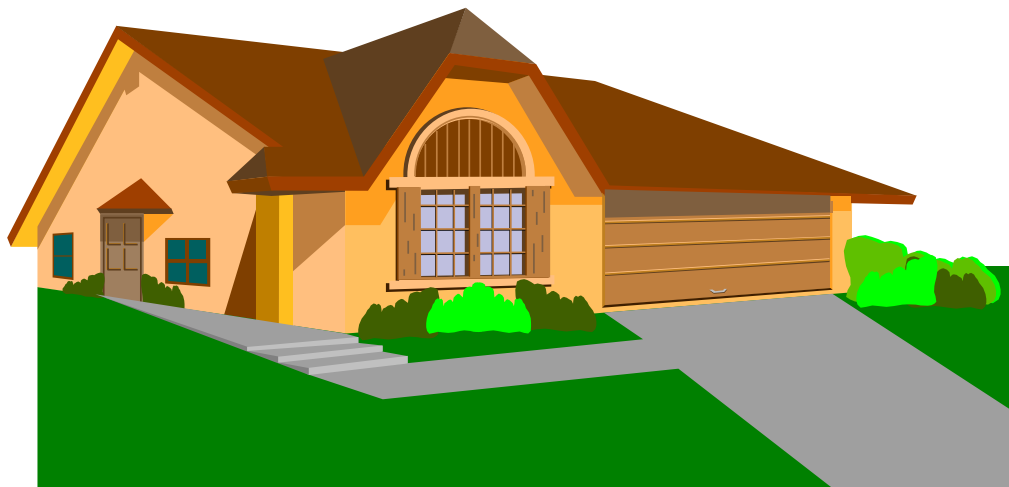


DoD NATIONAL RELOCATION PROGRAM (DNRP)

EMPLOYEE HANDBOOK



TO: All DoD Civilian Employees

SUBJECT: Dept. of Defense National Relocation Program (DNRP)

The DNRP is a program designed to assist eligible and authorized Department of Defense (DoD) civilian employees to relocate from one duty station to another. Its primary benefit, known as the DNRP Guaranteed Home Sale service, offers an optional alternative to the PCS reimbursement process for those authorized employees who must sell their primary residences. It also offers other valuable services which can greatly help in their relocation. Some of these services are at no cost to both the Government and to the transferring employee. DNRP is not mandatory, but may be used at the sole discretion of the transferring employees accorded relocation services by their command.

This handbook is an important guide to aid you in understanding the DNRP. The services discussed herein are provided by a DoD Relocation Contractor, a national relocation services contractor evaluated by a joint panel of representatives of the major DoD components, and selected through competitive contracting procedures required by the Federal Acquisition Regulations.

The U.S. Army Corps of Engineers is the DoD executive agent for the DNRP. The National Relocation Program Office (NRPO) located in the Corps' Baltimore District Real Estate Division is responsible for administering the DNRP. The NRPO staff can be reached at 1-800-344-2501. We are eager to help you with any aspect of the DNRP. In addition, the DoD Relocation Contractor has Relocation Counselors available to help you through the relocation process. A Relocation Counselor will be assigned to you after you have been approved for the DNRP by your command and processed into the program by the NRPO.

It is the goal of the DNRP to assist you during what can be a very stressful time by offering you a fair and equitable alternative for selling your home. If you have a question or concern about any aspect of the guaranteed buyout process or DNRP program services, please contact the NRPO staff.

Once again, we stress the importance of your using this handbook to gain a good understanding of the DNRP. We are available to assist you at any point in the process to make your relocation as smooth as possible. After you have used the program, please take a moment to complete the DNRP Evaluation Form. We want to know what you think of the DNRP, so that we can improve our service to other DoD employees.

We wish you all the best in your transfer, and look forward to working with you during your relocation.

The NRPO Staff

IMPORTANT NUMBERS

DEFENSE NATIONAL RELOCATION PROGRAM (DNRP)

U.S. Army Engineer District, Baltimore
Real Estate Division
P.O. Box 1715
Baltimore, Maryland 21203-1715

Toll free information line: 1-800-344-2501
410-962-3166
FAX: 410-962-4322

Point of Contact:

Name: _____ Phone: _____

DNRP Web Page: <http://www.nab.usace.army.mil/dnrp.htm>

General Information Email: dnrp@usace.army.mil

FRAUD, WASTE, and ABUSE

The DNRP is administered in accordance with the provisions of the Joint Travel Regulations (JTR). Any violation of these regulations by the employee may result in discontinuation of services received under the DNRP and referred to appropriate authorities for investigation and possible disciplinary action.

Table of Contents

Section 1 - Introduction.....	1
Section 2 – Relocation Services.....	2
Section 3 – DNRP Policy	3
Section 4 – Program Information Counseling	4
Section 5 – Obtaining DNRP Services	5
Section 6 – Home Marketing Assistance	6
Section 7 – Guaranteed Home Sale	8
I – Introduction	8
II – Definition of Residence.....	8
III – Getting Started	9
IV – Appraisal Process	9
V – Inspections	10
VI – Listing Your Home For Sale	11
VII – The Offer	11
VIII – Amended Value Sale	11
IX – Buyer Value Option	11
X – Home Acquisition	12
XI – Home Marketing Incentive Payment (HMIP)	12
XII – Payment of Equity	12
- Equity Advance	13
XIII – Vacating Your Home	13
XIV – Pro-Rata Payment	13
XV – Prohibition of Dual Payments	13
XVI – Payment for Services	14
Section 8 – Property Management	15
Section 9 – Destination Services.....	17
Section 10 – Administering the DNRP.....	19
Section 11 – Important Points to Remember.....	21

SECTION 1 INTRODUCTION

This handbook provides guidelines and general information about the Defense National Relocation Program (DNRP). Please understand that this handbook is a guideline and our program is governed by the Joint Travel Regulations (JTR). You can access the JTR at www.dtic.mil. Our handbook provides information on:

1. Relocation services provided under the contract;
2. Who determines eligibility for services under the contract;
3. Procedures for requesting and using relocation services; and,
4. Administrative responsibilities of the program.

You should take special note that this handbook is a generic guide intended for the use of civilian employees of all DoD components and activities. Some components and activities, however, may have internal procedural requirements which are unique to their organizations, and which may not be consistent with normal DNRP administrative procedures and responsibilities discussed in sections 5 and 10 of this handbook. Before beginning the DNRP process, you should check with your Human Resources Office for possible additional instructions.

Regardless of variations in administrative processing procedures, the relocation contract services and DNRP requirements discussed in this handbook apply to all authorized DoD civilian employees who choose to use the services of this program.

The DNRP is an important benefit for transferring DoD civilian employees. It offers significant advantages to standard Permanent Change of Station (PCS) entitlements.

Guaranteed Homesale Service (GHS) or Property Management (PM) will not be authorized for every transferring employee. Contact your Human Resources Office (HRO) to determine your Component or Defense Agency eligibility criteria.

As a transferring employee, your evaluation of the services you receive is a key element in managing the DNRP effectively. When you have completed your relocation, please take a moment to evaluate the service. There is a form for this purpose at the end of this handbook. Your comments will help us to assess and improve the DNRP.

SECTION 2 RELOCATION SERVICES

DoD's contract with the Department of Defense (DoD) Relocation Contractor provides a number of services to assist you with your relocation,

I. Services Currently Available at No Cost to Employee or DoD:

- A. Program Information Counseling
- B. Destination Services: (see Section 9)
 - 1. Homefinding for Buyers
 - 2. Homefinding for Renters
 - 3. Mortgage Counseling

These free services are available for all relocating civilian employees, and may be obtained by contacting the DoD Relocation Contractor directly.

II. Government-Paid Relocation Services Currently Available to Authorized DoD Civilian Employees: DoD pays the fee for these services and must be authorized by your Component or Defense Agency on the Relocation Services Request Form and on your original PCS Travel Orders (DD Form 1614):

- A. Guaranteed Homesale with Home Marketing Assistance
- B. Property Management

SECTION 3

DoD NATIONAL RELOCATION PROGRAM POLICY

Each DoD Component or Defense Agency establishes the eligibility criteria for its organization under the requirements of the Joint Travel Regulations (JTR). The general requirements for the program are summarized below.

Any DoD civilian employee considering, or in the process of, relocating may use Program Information Counseling and Destination Services. These are free services which you may use at any time by contacting the DNRP staff; they will refer you to the DoD relocation services contractor.

I. Eligibility for Permanent Change of Station (PCS) Expenses and DNRP. Generally, you are entitled to reimbursement for, or payment of, reasonable and actual eligible expenses incurred during a PCS move within the United States, its territories or possessions, and from overseas when returning to a duty station which is different from the one you departed. See JTR, Volume II for specific PCS information.

II. Eligibility for DNRP (Government Paid Services). You are eligible for Guaranteed Homesale Service (GHS) and Home Marketing Assistance, or Property Management (PM) if you meet the requirements for PCS and:

- A. You are authorized to use these services by your command; and,
- B. Your residence meets the criteria established by the JTR and the GHS or PM program.

III. Purpose of DNRP (Government Paid Services). The intent of the DNRP is to provide service assistance to enable a timely sale of your home in the old duty station area and help you find a suitable new residence in the new duty station location. The program minimizes family separation and reduces the time necessary for you to get settled and productive in your new duty station.

- A. DNRP services must be completed (contract of sale executed by both you and the DoD Relocation Contractor) before your PCS entitlement period expires.

SECTION 4

PROGRAM INFORMATION COUNSELING

The DoD Relocation Contractor Program Information Counselors are available during government business hours from 8:00 AM Eastern Standard Time through 5:00 PM Pacific Standard Time to give you information about the DoD National Relocation Program (DNRP) before you accept a transfer or at anytime during your relocation. The counselor is available to:

- A. Provide general information on DoD relocation services;
- B. Inform you about current procedures for requesting and ordering both government-paid and free relocation services as appropriate;
- C. Arrange for qualified real estate firms in the new area to provide information about communities, housing, schools, etc.
- D. Assign to you a Destination Specialist at your final destination area;
- E. Assist you in finding temporary quarters.

SECTION 5 OBTAINING DoD NATIONAL RELOCATION PROGRAM (DNRP) SERVICES

RELOCATION SERVICES ARE NOT INITIATED FOR YOU AUTOMATICALLY. If DNRP government paid services are approved by your agency, it is up to you to request DNRP assistance, and participate actively in the program. The National Relocation Program Office (NRPO) in Baltimore, Md., is available to discuss DoD policy for the use of DNRP at (410) 962-3166 or 1-800-344-2501.

Relocation program and services information, FAQ's, forms and contact information is available at the DNRP web site: www.nab.usace.army.mil/dnrm.htm.

NOTE: It is your responsibility, and is to your benefit, to be aware of DoD regulations and policies concerning all aspects of your PCS transfer. Additional information is also available in the JTR, Volume II. Read this handbook carefully. Note important contact names and phone numbers. Follow-up on your paperwork.

- I. Requesting DNRP Services. You can access the DNRP electronic relocation request form by clicking on the Relocation Services Request Form link on the DNRP webpage.

Please follow the instructions for completing the Relocation Services Request Form (#s 1-7) on the DNRP webpage <http://www.nab.usace.army.mil/dnrm.htm>. Be sure to enter data accurately and completely, missing or inaccurate information may delay your service initiation.

NOTE: The NRPO does not have DSN or Autovon capability. Please provide commercial telephone numbers only.

All required relocation service request information must be entered, including the name and email address of the contact in your HR office who will approve the DNRP relocation services that you are requesting. Without HR POC information, your service request will not be approved and processed.

Your DNRP service request will be routed to your HR office for relocation service approval and Budget office for obligation of funds. When HR approves the completed form, the DNRP service request is sent electronically to the National Relocation Program Office (NRPO). An email will be sent to you when the completed relocation services request is received by NRPO. A DNRP counselor will contact you to initiate program services within 3 business days of receipt of the completed service request form.

Destination Services: Homefinding Assistance or Mortgage Counseling can be requested at any time. Service Request forms or PCS orders are not needed to request these services. DNRP destination services are no-fee services and may be requested by calling the toll free information line or emailing your request to dnrm@usace.army.mil.

- II. HRO Authorization. If you request Guaranteed Homesale Service (GHS) or Property Management (PM), your Human Resources Office (HRO) will:

- A. Verify that you are authorized GHS or PM and that your residence meets the program's eligibility requirements;
- B. Authorize you for GHS/PM on your original PCS travel orders; and
- C. Approve the DNRP relocation services request and submit the completed services request e-form and cc of your original PCS travel orders to the NRPO.

NOTE: If you subsequently decide not to accept the DoD Relocation Contractor's offer, your PCS sales expense entitlement will be reinstated. No dual benefits will be allowed.

III. NRPO Order to the DoD Relocation Contractor. Within three (3) business days of receipt of your approved relocation services request the NRPO will contact you.

- A. The NRPO's Contracting Officer will issue a service authorization to the DoD Relocation Contractor, usually within three (3) business days of the NRPO's call to you.
- B. A DoD Relocation Contractor Counselor will contact you within one (1) business day of the NRPO notifying the DoD Relocation Contractor of your requirement.

IV. Changing Services. If you change your mind about using DNRP or if your schedule changes, contact your HRO. You must be ready to sell/rent your home when you enter into DNRP. **If you are not going to use the service immediately, do not submit the request form to your HRO until you are ready.**

SECTION 6 HOME MARKETING ASSISTANCE

The Home Marketing Assistance Service is designed to help you actively market your home, minimize marketing time and obtain an acceptable purchase offer for your home. The goal of this service is to get a market based offer (Amended Value or Buyer Value Option offers) which may net you a greater amount than the appraised value offer under the Guaranteed Homesale Service (GHS) program. (See Section 7)

I. Your DoD Relocation Contractor Counselor will:

- A. Recommend listing brokers;
- B. Analyze the broker's proposed marketing strategy and make suggestions;
- C. Review comparable competing properties currently for sale in your market area and those recently sold to help you set a realistic list price; and,
- D. Identify any recommended repairs or improvements that may expedite the sale of your home.

II. Listing Your Property

- A. You must market your home for at least sixty (60) days after DNRP program initiation before you may accept the GHS appraised value offer.

Do not list your home for sale until AFTER you receive your PCS orders!

- B. You may list your home for sale with any licensed real estate broker of your choice. To ensure that your home will be competitively priced and actively marketed, you are encouraged to utilize a relocation-trained broker recommended by the DoD Relocation Contractor. Your relocation contractor counselor can arrange for 2 independent relocation-specialist real estate agents to review your property and present individual written Broker's Market Analyses (BMA's), including information on comparable property sales and competitive listings, proposed marketing plans, recommended list price and estimated selling price. Referrals to recommended potential listing agents can be obtained at any time by calling the toll free DNRP line (800-2344-2501) or emailing your request to dnrp@usace.army.mil.
- C. Review the brokers' proposed marketing plans and Broker Market Analyses (BMA). Select the broker that you feel is best qualified to effectively market your home.
- D. Ensure the listing agreement includes the Addendum to Listing Agreement (Listing Exclusion Clause) that you can download/print from the DNRP webpage. This exclusion clause will protect you from paying commissions in the GHS process. It also allows you to reserve the right to sell your property to the DoD Relocation Contractor without further obligation to the listing broker.
- E. The 60 day minimum home marketing period begins at or after initiation of DNRP home sale program services and must continue for at least sixty (60) consecutive days before you can accept the Relocation Contractor's appraised value offer. If your home has been listed for sale before or at the time of initiation of DNRP services, the time that the property has been on the market and listed by a broker prior to DNRP program initiation will not count as part of the 60-day marketing requirement.

The purpose of the 60-day marketing period is to provide adequate time to obtain possible market-based offers that may result in an amended value or a BVO sale at a price equal to or higher than the appraised value offer. During this period, the Relocation Contractor will assist you in the marketing of the property. The contractor will provide you with a government-approved "Exclusion Clause" to be used in the listing agreement that will release you from any obligation for payment of a commission to

your listing broker if you accept the contractor's offer. A fully executed Exclusion Clause must be received by the contractor before any guaranteed home sale offer will be made to you.

III. Setting the Listing Price

A. Setting a realistic listing price is a key to achieving a successful and timely home sale. Under DNRP guidelines, your initial home listing price must be within 10% of the contractor's Broker Market Analysis (BMA) value, and the listing price must be adjusted to within 5% of the Appraised Value Offer, once established, for the remainder of the mandatory marketing period. To participate in the DNRP home sale program, you must align your home's listing price within the required maximum list price limits within three (3) business days of receipt of the DNRP contractor's BMA report or receipt of the DNRP Appraised Value Offer.

B. Identify the competing listings and comparable sales. Comparable sales are properties similar to yours and located in your market area that have recently sold. Competitive listings are properties similar to yours in the area that are currently for sale. Appraisers, brokers and prospective buyers will look at recent sales data of similar homes as well as current asking prices for similar properties when establishing their opinions of value for your home. Your listing broker will be able to provide you with information on comparable sales and competitive listings.

C. Visit or view those homes and compare them to yours.

IV. Recommendations for Maximizing Market Value. One of the most important factors influencing potential buyers and appraisers is the condition of your home.

A. Maintain "ready-to-show condition" (i.e., neat, clean and uncluttered).

B. Do not neglect the exterior of your house. Keep lawn mowed and walkways clear of ice and snow. Maximize curb appeal.

C. Clean the carpet; paint the walls a neutral color to enhance resale price potential.

D. Do not start any major improvements or remodeling.

E. Additional Home Marketing tips can be found on the DNRP web page.

SECTION 7 GUARANTEED HOMESALE SERVICE (GHS)

GHS is provided as authorized by your activity's eligibility criteria policy and is an alternative to your Joint Travel Regulations (JTR) real estate expense reimbursement entitlement. It can relieve you of the burden of selling your home, waiting for the sale to close to receive your equity, and submitting vouchers for reimbursement of real estate expenses.

I. Introduction to GHS. A Relocation Counselor will be assigned to you when you are authorized GHS and will:

- A. Provide you with a GHS offer for your residence;
- B. Help you market your home with the goal of obtaining a market based offer that is equal to or higher than the appraised value GHS offer. (Amended Value Offer or BVO sale - see Marketing Assistance Service, Section 6);
- C. Determine, based on the GHS appraised value offer, the amount of equity available in your home so that you may purchase another home at your new duty station; and,
- D. Assist you to obtain an equity advance of up to 75 percent of your home's equity, based on its appraised value, if necessary for purchase of a home in the new location or to complete required repairs or remediations on your residence in the old duty station. You may obtain this advance from the DoD Relocation Contractor before you accept their offer. You will be required to provide documentation of your need for an equity advance (e.g., copy of sales agreement, etc.).

To obtain an interest-free equity advance of up to 75 percent of your equity, you must first sign the acceptance of the offer. However, it will not be considered a valid acceptance until the DoD Relocation Contractor countersigns upon your verbal acceptance.

II. Definition of "Residence" for GHS Purposes. To be eligible for GHS, your home must meet the requirements of the JTR, Chapter 5. The following are guidelines which summarize residence eligibility. Your home must be

- A. Located in the United States which includes U.S. territories and possessions;
- B. Your primary or principal residence, from which you commuted to and from work on a daily basis at the time you were officially notified of your transfer (receipt of your PCS orders). An employee returning from an overseas assignment to a location that is different from the one he or she departed is excluded from this requirement.
- C. In title to you and/or eligible dependents at the time you were officially notified of the transfer;
- D. Improved real estate, owned and used by you as a principal residence, including a townhouse or a condominium, which is insurable, financeable and structurally complete including construction, plumbing and electricity. The home must conform to local building code requirements for resale;

NOTE: Mobile homes, houseboats and other residences not permanently affixed or located on land not owned by you are NOT eligible for GHS. In addition, cooperative housing is not eligible for GHS.

- E. In compliance with state/local building, health, fire or safety codes: (1) You are responsible for the remediation of any structural problems or conditions that do not comply with state/local health, safety, fire or building codes; (2) the DoD Relocation Contractor will advise and assist you with

corrective measures; (3) The cost of any repairs necessary to comply with state/local code requirements is your responsibility and is not reimbursable. An equity advance may be used for this purpose; and (4) An offer may be tendered by the relocation contractor contingent upon satisfactory remediation of structural problems or code violation conditions; however, you cannot accept the offer until these conditions are corrected.

III. Getting Started. DNRP requires you to market your home in conjunction with DNRP services by listing it with a qualified multiple listing broker for 60 consecutive days after program initiation. You can expect to be contacted by the NRPO staff within three business days of receipt of your approved application and original PCS travel orders from your agency. During this call, information will be verified and we will ensure that you are ready to sell your home. You are encouraged to contact the NRPO if you should have any problems or concerns during the homesale process. You are required to list your house for sale for at least sixty (60) days upon or after authorization for DNRP services before a GHS buyout offer can be accepted.

When the DoD Relocation Contractor receives initial notification from the National Relocation Program Office (NRPO), a Contractor's Relocation Counselor will contact you within one business day to coordinate GHS and Destination Services. Your Relocation Counselor will explain the GHS Program, obtain and/or verify information about you and your home, send you information and forms about the program, and provide you with a list of approved appraisers. Read the DoD Relocation Contractor package carefully, and promptly complete and return the necessary forms.

NOTE: If you are not ready to sell your home immediately, do not enter into DNRP.

IV. The Appraisal Process. Your Relocation Counselor will provide you with a list of local qualified, professional appraisers who meet Worldwide Employee Relocation Council (ERC) qualifications and performance standards. All appraisers on this list are independent fee appraisers with recognized professional designations. You will select three appraisers. The appraisals will be completed within 21 calendar days of the date from which the appraisal orders have been placed by the contractor. If a third appraisal must be ordered, the process could take an additional 10 days. Time frames may vary according to appraiser availability. **You may request appraisers who are not on the Relocation Contractor's list, however, the Relocation Contractor must verify their qualifications to perform residential relocation appraising. If they meet these qualifications they will be contacted to do the appraisal. If they do not qualify you will be notified.** You are encouraged to interview the appraiser(s) before you make your selection. The guidelines for appraiser qualifications can be found on the DNRP webpage.

- A. The appraisers must be full time professional, residential real estate appraisers, with no personal or financial interests in your property, and who have not appraised your property within the past 6 months. They must be qualified to perform Employee Relocation Council (ERC) appraisals and be able to complete the assignment within the time limits and service requirements of the DoD Relocation Contractor.
- B. The DoD Relocation Contractor will contact your first two appraiser choices to appraise your home. The third appraiser will be used if the first two appraised values differ by more than 10 percent of the higher value or if one of the first two appraisers is not available to appraise your home. In that case, the guaranteed homesale offer will be calculated by averaging the two closest appraisals or all three if they are equally distant.
- C. The appraisers will appraise the property in an "as is" condition, (the condition of the property at the time of the appraisal). If your home needs repairs or maintenance work, the appraisers will reflect this in their values. You are encouraged to complete any repairs or maintenance prior to beginning the appraisal process.
- D. To prepare for the appraisal, you should make a list of the most recent sales of homes that are similar to yours, in the same or similar neighborhood that you feel should be considered by the

appraisers when evaluating your home. List any improvements that have been completed that may not be apparent (e.g., updated plumbing, electrical systems or additional insulation) and any personal property that will convey with the house (drapes or appliances). Give the lists to each appraiser. All improvements under way should be completed before the appraisal.

- E. The appraisals will be based on the most recent real estate sales including any new construction that, in the appraiser's opinion, are most comparable to your property. A relocation appraisal reflects the anticipated sales price for your property if exposed to the market for a reasonable marketing period, up to a maximum of 120 days. Current market conditions in your area will affect your appraised value. The appraisals are not based on your purchase price, tax assessment value, or your mortgage balance.
- F. If, after reviewing the appraisals, you believe that the current market value of your home is not reflected accurately, you may submit a written request for appraisal reconsideration to your Relocation Counselor. **APPRAISAL RECONSIDERATION REQUESTS MUST BE MADE WITHIN TEN (10) CALENDAR DAYS OF YOUR RECEIPT OF THE DOD RELOCATION CONTRACTOR'S WRITTEN OFFER.** The appraisal reconsideration request must be based on correction of errors of calculation or fact identified in appraisal report(s) or to provide new/additional market sales data that you feel should have been considered by the appraisals in determining their appraised values. The request should include information on comparable sales of similar properties in proximity to your home that were closed before the appraisals were completed, but not used by the appraisers. (You may obtain these comparable sales from your real estate agent.) Submit this information, along with any other information you believe pertinent, to your Relocation Counselor for reconsideration. You will receive a copy of the appraiser's written response. You may review it with your Relocation Counselor.

V. While Your Home is Being Appraised, the DoD Relocation Contractor Will Also Order:

- A. A title search and the necessary inspections required by local, county, state or federal codes or laws and other inspections indicated by established industry practices to be reasonable and customary or deemed necessary, or which are subsequently recommended by the appraisers or real estate broker.
 - 1. If conditions exist that preclude the appraiser from determining a value, the DoD Relocation Contractor will obtain an estimate of the cost to correct the defect from a qualified local inspector or contractor and inform all appraisers of the details and cost to cure these conditions.
 - 2. If an independent inspector determines that conditions exist which are safety violations, structural problems or do not comply with state or local health, safety, fire or building codes, the DoD Relocation Contractor will obtain an estimate of the cost to correct the condition and inform you of the details and the cost to cure. You will have the option of correcting these conditions before signing the Contract-of-Sale or requesting that the DoD Relocation Contractor deduct the cost to cure from your equity, if available. After corrective actions have been taken by you, one re-inspection will be provided by the DoD Relocation Contractor. The cost of additional inspections, if needed, will be paid by you. If you choose not to correct these conditions but choose to accept the DoD Relocation Contractor's estimate of the cost to cure that is reflected in the offer, these estimates will be binding upon you and the DoD Relocation Contractor, and no adjustments will be made after your acceptance of the DoD Relocation Contractor's offer. If the condition is corrected by you prior to receiving a guaranteed offer, and a satisfactory re-inspection report is obtained, the DoD Relocation Contractor will be required to accept the home on an "as is" basis. You will be given a period of 30 days to correct all conditions.
- B. DoD's Relocation Contractor will arrange for a Broker's Market Analysis (BMA) to be prepared by a local real estate broker. The BMA is not used to calculate your offer. It is an information-only market analysis which your Relocation Counselor will use to assist you with marketing your home

and to verify appraisal data. The Relocation Contractor will order the BMA even if your home is already listed with another broker.

VI. Listing Your Home For Sale. You must list your home for sale for a minimum of sixty (60) days after initiation of DNRP services before you may accept the Relocation Contractor's Appraised Value Offer. The listing agreement **MUST** include the DoD-approved listing Exclusion Clause (Addendum to Listing Agreement - which protects your right to sell your home directly to the DoD Relocation Contractor and releases you from any obligation for payment of a commission. **Please note: This cannot be a "For Sale by Owner" Listing.** Your Relocation Counselor will recommend one or more listing brokers for you to consider when selecting a listing agent and firm. DoD recommends that you interview 2 or 3 potential listing agents when selecting a listing broker, and to include one or two real estate firms/agents recommended by the relocation contractor. The agents referred to you by the relocation contractor will all be relocation-trained specialists, with experience and expertise in successfully marketing homes for transferring employees. The relocation counselor will provide advice and recommendations on marketing strategy, and assist you to negotiate any offers you receive which may result in a higher offer or "Amended Value Sale".

VII. The Appraised Value Offer. When the appraisals, title search and inspections are complete, your relocation counselor will call you with a verbal appraised value offer. The full offer package, which includes the contract of sale, other required documents, and copies of appraisals and inspections will be mailed to you within one (1) business day of making this verbal offer.

- A. The Appraised Value Offer is valid for a 60-day acceptance period beginning on the date of the verbal offer (unless your PCS reimbursement eligibility expires prior to that date). You may accept the offer at any time during the acceptance period, after the 60 day minimum listing requirement has been met.
- B. If you have a tenant in the property, the tenant must vacate and the lease agreement must be terminated before you can accept the DoD Relocation Contractor's offer.
- C. Read the terms of the contract carefully -- it is a legal and binding agreement between you and the DoD Relocation Contractor.
- D. It is your responsibility to deliver a saleable, financeable and insurable property, including clear, marketable title; permits; access; and surveys as necessary. You may not accept a Guaranteed Homesale Offer until the property is in saleable condition.
- E. You are free to reject the DoD Relocation Contractor's appraised or amended offer at any time and proceed to sell the home independently. If you reject the DoD Relocation Contractor's offer, no further homesale services shall be performed by the DoD Relocation Contractor, and the home will no longer be eligible for inclusion in the GHS program unless a waiver is granted by your agency, and you have repaid to the government the costs that were incurred during the initial service.

VIII. Amended Value Sale. If you receive an acceptable, bona fide offer for your home from an outside buyer, the DoD Relocation Contractor may amend (raise) its offer to equal the higher offer amount, net of any non-reimbursable deductions. If you receive an offer, contact your Relocation Specialist immediately. Do NOT sign, initial or accept a sales deposit. **You can not use the Guaranteed Homesale Service if you sign or initial an offer or accept a deposit!**

- A. The DoD Relocation Contractor will review the offer to ensure it is bona fide; determine if the buyer is qualified to purchase your home at the price and terms specified; the offer represents an equal or higher net market value than the Appraised Value Offer; and it meets criteria set forth in the ERC 11-Point Program for Amended Value Option policy guidelines for an amended value sale. The ERC 11 Point Program guidelines can be found on the DNRP webpage.

- B. A contract contingent on the buyer selling his/her home or one with unusual terms or conditions is not acceptable. An amended value offer may be contingent only on financing.
- C. To determine the net offer amount, the Relocation Contractor will deduct expenses not reimbursable under the JTR such as points, repairs, improvements or excess commission.
- D. If you accept the relocation contractor's amended value offer, you will bear no risk if the potential outside buyer does not purchase the home or if the home is eventually sold for less than the amended value offer.

NOTE: The NRPO will not process applications of transferees who have already signed contracts of sale, however, if your sale does eventually fall through and the signed contract is no longer valid, you may then apply for GHS. You may bring in pending, unsigned offers to the DNRP. If these offers meet program requirements, they will be treated as amended value sales.

IX. Buyer Value Option (BVO) Sale. If you receive an acceptable bona fide offer for your home from an outside buyer prior after initiating DNRP services but before the appraisal process is completed, you can submit it to the DNRP for consideration as a BVO sale. The DoD Relocation Contractor will review the offeror's terms and will determine the acceptability of the offer. If they determine the offer to be bona fide and acceptable, the relocation contractor will make you an offer and buy the home from you at the net sale price as offered by the outside purchaser.

If you accept the relocation contractor's BVO offer, you will bear no risk if the potential outside buyer does not purchase the home or if the home is eventually sold for less than the BVO offer amount.

X. Home Acquisition. Upon acquisition of your property, the DNRP contractor will assume all rights, responsibilities, risks and obligations of property ownership. Except for Amended Value and BVO sales, the DNRP contractor will take title to your property and notify your lender(s) that they have become contractual owners of the property and will service the existing loan(s), ensuring that all payments are made accurately and timely. If required by the lender for your new home purchase or to reinstate full VA mortgage eligibility, the DNRP contractor will pay off mortgage(s) on the former property in full.

XI. Home Marketing Incentive Payment (HMIP). The HMIP is a financial incentive bonus payment which may be authorized for employees participating in the DNRP who successfully market their homes to obtain a BVO or Amended Value Sale. A DoD component may offer a home marketing incentive payment to employees who are authorized to transfer and who otherwise meet requirements for residence sale at government expense. To qualify for the HMIP, an employee must:

- A. Enter their residence in the DNRP home sale program;
- B. Cooperate with DoD's Relocation Contractor, listing and selling brokers, and participate in aggressively marketing the residence;
- C. Successfully find a bona fide buyer for the residence as a result of home marketing efforts;
- D. Accept the DoD Relocation Contractor's BVO or Amended Value Offer and transfer the residence to the Relocation Contractor to complete the sale to the outside buyer;
- E. Meet any additional conditions established by the DoD component. If your sale falls through at any time for any reason, even after the DoD Relocation Contractor cashes you out, you are NOT eligible for the HMIP. Further information on the HMIP can be found in the JTR, Chapter 5; and/or through your agency.

NOTE: The HMIP is authorized and processed by your agency. Neither the DoD Relocation Contractor nor the NRPO are responsible for authorizing or processing the HMIP.

XII. **Payment of Your Equity.** Your equity is the difference between the appraised or amended value of your property minus the unpaid balance of your mortgage(s), any liens, your share of property taxes, mortgage interest, condominium or homeowner's association fees, etc., due up to the date of closure with the DoD Relocation Contractor.

- A. **Equity Advance Prior to Accepting the DoD Relocation Contractor Offer.** Once the Appraised Value Offer has been established, you may obtain an interest-free equity advance of up to 75 percent of your equity, (based on the Appraised Value Offer) before accepting the AVO, if needed to purchase a new home or make necessary repairs on your present home. The DoD Relocation Contractor will establish procedures and documentation that will ensure the repayment of the advance in the event that you do not accept the guaranteed offer, and may pursue normal legal recourse if you fail to repay the amount advanced. **If you decide not to accept the DoD Relocation Contractor's offer, the equity advance must be repaid immediately.**

In the event that you do not accept the Appraised Value Offer, the DoD Relocation Contractor will charge an administrative fee to cover the cost of calculating and managing the equity advance. If you do not repay the advanced funds promptly, the DoD Relocation Contractor may take legal action to recover the funds. The Relocation Contractor may secure the advance by requiring you to sign an equity loan agreement and/or placing a second deed of trust or other security on your property.

- B. **Equity Payment After Accepting Appraised or Amended Value Offer.** Upon receiving your signed and notarized contract of sale and other required acceptance documents, the DoD Relocation Contractor will pay you at least 95 percent of your net equity. The balance is held until you vacate the property. If the property is not in its appraised, "broom-clean" condition, the cost of removing articles and debris, or repairs will be deducted from the balance.
1. If you vacate your property before accepting the Guaranteed Home Sale offer and the property is left in appraised, "broom-clean" condition, you will receive 100 percent of the equity when you accept the offer.
 2. The DoD Relocation Contractor will pay you the net equity based on the appraised or amended value offer within 5 business days of receipt of the properly signed and notarized contract of sale provided the home is vacant.
 3. If your offer is less than your mortgage balance and you accept the offer, you will be required to pay the DoD Relocation Contractor the difference between the offer and the mortgage balance. These funds are due upon offer acceptance.
 4. You are responsible for maintenance and carrying costs (mortgage payment, utility bills, etc.) on your home until you accept the appraised or amended value offer or until you vacate the property, whichever is later.
 5. You will receive a detailed Equity Statement. Review it carefully and contact your Relocation Counselor if you have any questions. This document is your closing statement with the DoD Relocation Contractor.

XIII. **Vacating Your Home.** After you accept the offer, you have up to 30 calendar days to vacate your home. Your Relocation Counselor will discuss the vacating arrangements with you. If there is a change in your plans, notify the Relocation Counselor immediately.

- A. During the 30 day period, the DoD Relocation Contractor will be marketing the property and obtaining any bids/inspections necessary. After accepting the offer, you must make your property available for marketing and showings to prospective purchasers, by appointment and/or with advance notice.

- B. The DoD Relocation Contractor will send your mortgage company an insurance policy effective the later of the date you accept the offer or vacate the property. The policy will cover the house only. You are responsible for maintaining insurance coverage on your household goods.
- C. You must leave the property "broom-clean" and in the same condition as when it was appraised. You must also leave your utilities on. The relocation contractor will arrange for transfer of utilities.

XIV. Pro-Rata Payment of Guaranteed Homesale Services (GHS) Fee. If you are responsible for a pro-rata share of the DoD Relocation Contractor's fee, you will be notified before you sign the contract. You and the DoD Relocation Contractor must agree on how your share of the fee will be paid before you may accept their offer. You will be responsible for payment of a pro-rata portion of the GHS fee under the following circumstances:

- A. If an employee and/or dependents share title to the residence with non-eligible others, DoD will pay a portion of the DNRP fee proportionate to the employee's ownership interest in the property. The employee is responsible for payment of the portion of the DNRP fee that is attributable to the percentage of the total value of the property that is represented by the non-eligible owner's interest.
- B. If the residence is a duplex or another type of multiple occupancy dwelling which is occupied only partially by the employee, or whenever the employee shares responsibility for a leased property.
- C. When land, in excess of that which reasonably relates to the residence site, is bought or sold. If the appraisers determine that your property has excess land, the employee is responsible for payment of the portion of the DNRP fee that is attributable to the value of the excess land.
- D. The maximum home value under the DNRP for which homesale services are paid by DoD is \$750,000.00 unless waived by the paying activity. If your home is sold through DNRP at a price exceeding \$750,000.00, you are responsible for the portion of the DNRP fee that is attributable to the home value in excess of \$750,000 unless the maximum is waived in accordance with component regulations.

XV. Prohibition Against Dual Payments or Benefits. GHS is an alternative to selling your home yourself and being reimbursed for real estate expenses.

- A. If the Government incurs a cost because you do not complete the GHS, you may not receive reimbursement for duplicate expenses. For example; if, after rejecting the DoD Relocation Contractor's offer, you get an appraisal to help you set a listing price, you may not be reimbursed for the cost of that appraisal. The government already paid for appraisals under the GHS process and would not pay for another. However, upon your request, the DoD Relocation Contractor will give you copies of any documents already paid for by the government.
- B. Your agency may authorize you GHS for each PCS. If you reject the DoD Relocation Contractor's offer you may not use the GHS again for that same PCS. Under certain circumstances, however, your Component or Defense Agency may authorize you to use GHS again if you repay the costs the government incurred as a result of the first GHS.
- C. If a waiver is granted, you must repay the costs of the first request (appraisal fees, inspection fees, title search, etc.) before the National Relocation Program Office (NRPO) will process the second request. Proof of this payment is required by the NRPO.

XVI. Payment for Services. DoD will pay a fee for Guaranteed Homesale Service and Property Management. You will not be required to submit any voucher in connection with the sale of your home with relocation services. There is no income tax liability to you for the fee paid to the contractor to assist

you with the sale of your home. You are responsible, however, for all normal federal and state taxes, including capital gains.

SECTION 8 PROPERTY MANAGEMENT SERVICES

Your agency may approve DNRP Property Management Services for you under certain circumstances as authorized by the JTR. Property Management will allow you to rent your home and return to it at the end of your assignment.

NOTE: DNRP Property Management Services are an alternative to JTR Property Management entitlements. If you are authorized Property Management Services, you may choose to arrange for Property Management Services on your own (outside of DNRP) and be reimbursed up to 10% of the rental value as prescribed by the JTR.

I. Property Management Process. When NRPO notifies the DoD Relocation Contractor that you are using the Property Management Service, a Relocation Counselor will be assigned to you. Property Management Services will:

- A. Assign a local property manager acceptable to you;
- B. Help you develop a rental marketing strategy;
- C. Establish a market rental value;
- D. Make every effort to find a tenant and negotiate a lease;
- E. Collect and account for rental income;
- F. Pay mortgage and other carrying expenses from your Reserve Operating Account (ROA);
- G. Inspect the property once per quarter;
- H. Expedite emergency repairs;
- I. Arrange for major repairs and maintenance approved by you;
- J. Handle all tenant negotiations; and
- K. Report to you on a quarterly basis about your property and Reserve Operating Account (ROA).

II. Time Limit. Authorized Property Management Services will be provided at the expense of DoD for a period of time approved by your agency not to exceed that allowed by the JTR.

III. Reserve Operating Account (ROA). You must establish and maintain an account funded at the level required by the DNRP. The Relocation Counselor will deposit the rental income in this account and pay mortgage, repairs, and maintenance from it. Failure to maintain a minimum balance in the ROA could result in termination of Property Management Services.

IV. 30-Day Tenant Vacate Clause. The DoD Relocation Contractor will negotiate, approve and execute a lease agreement that will include a 30-day tenant vacate clause designed to protect you in the event of your recall from the new duty station before the lease expires, or for other reasons authorized by the government.

V. Extension of Services. You are responsible for contacting your agency at least three months prior to the expiration of your property management services to request an extension of those services, if necessary and allowable. If an extension is allowable under JTR entitlements and authorized, your

agency must prepare an amendment for additional funding to your original PCS travel orders and submit the amendment to the NRPO for processing before your authorization expires. If an extension **is not** authorized or the NRPO does not receive the extension, your services will be terminated on your original expiration date.

VI. Transferee's Early Return. If you return early from your assignment your Property Management Services will be terminated (see JTR, Chapter 5). In that event, you are responsible for notifying your Relocation Counselor of your early return and to arrange for termination of services. At the end of the government-paid property management period, the DoD Relocation Contractor may, but is not required to, offer continued property management services to you at such fees and under such contractual arrangements agreed to by you and the DoD Relocation Contractor at your expense.

SECTION 9 DESTINATION SERVICES

The DoD Relocation Contractor offers Destination Services at no cost to you or DoD through its Destination Specialists and its network of real estate brokers. DoD recommends you use Destination Services to help you make informed buying, mortgage, or renting choices at your new duty station. DNRP Destination Services are available for all DoD employees, and no PCS orders or Service Request forms are necessary to utilize these services.

Under the Joint Travel Regulations (JTR), you may be reimbursed for many of the expenses you incur in connection with the purchase of a new residence and securing a mortgage in the new duty station area. You must submit a voucher for these expenses through your servicing Human Resources Office (HRO). The Defense National Relocation Program (DNRP) contract with the DoD Relocation Contractor does not pay any closing and mortgage expenses connected with the purchase of your new home.

I. Homefinding for Buyers. A Destination Specialist from the DoD Relocation Contractor can assist you in planning your house-hunting trip and arranging for qualified real estate brokers to provide information and services to help you make a wise home buying decision. The Destination Specialist will:

- A. Contact you to discuss your new area, your lifestyle, and your specific family needs and send you advance information about the new area that will assist in your homefinding efforts;
- B. Recommend a professional, qualified real estate firm to assist you in the new area. The real estate broker will contact you within 24 hours of referral by your Destination Specialist;
- C. Assist you to plan and schedule a house-hunting trip. When you arrive for your househunting trip, your destination relocation real estate agent will act as your guide to the new area, take you and/or your spouse on an area tour and visit communities that meet your lifestyle requirements;
- D. Arrange for your destination real estate agent to prepare a written competitive market analysis on the property you select to enable you to compare your prospective property with similar properties in the community. The analysis will also help you make an informed home buying choice and will suggest an appropriate price and terms for negotiating the purchase; and,
- E. Direct your broker to advise you about any inspections which may be appropriate and assist you to include contingencies for them in your contract of purchase.

II. Homefinding For Renters. The Destination Specialist will counsel and assist you to find suitable rental housing at your new duty station. Your Destination Specialist will:

- A. Discuss with you your housing, lifestyle and scheduling requirements;
- B. Send information about the new area to help in the house-hunting process; and
- C. Recommend a qualified broker or professional rental management agency knowledgeable about the rental market in the new area.

III. Mortgage Counseling. Your Destination Specialist will ask you questions in order to develop a financing profile. Your specialist will then advise you regarding available national and local mortgage programs that best address your financial objectives and qualifications. This counseling will include information on:

- A. The types of mortgages, rates, fees, basic lender qualification requirements, and the availability of financing in your destination area;

- B. A choice of national relocation mortgage lenders with preferential rates and terms for transferring DoD employees. You can request referral to one or several lenders so that you may compare interest rates, loan terms, and types of loans available; and,
- C. Pre-Qualification. You can request verbal pre-qualification from the DoD Relocation Contractor at any time at no cost or obligation to you or DoD. Written pre-qualification commitment will require a credit report; you will be responsible for a credit report fee. You will find pre-qualification an asset during the negotiations of a contract on a new home.

NOTE: In some areas of the country, rental brokers may charge a "finder's fee". This fee is your responsibility. It is not covered by Destination Services, nor is it reimbursable by the Government.

SECTION 10

ADMINISTERING THE DEFENSE NATIONAL RELOCATION PROGRAM (DNRP)

You should take special note that this section is a generic guide intended for the use of civilian employees of all DoD components and activities. Some components and activities, however, may have internal procedural requirements which are unique to their organizations, and which may not be compatible with normal DNRP administrative procedures and responsibilities discussed in sections 5 and 10 of this handbook. Before beginning the DNRP process, you should check with your Human Resources Office for possible additional instructions.

Regardless of variations in administrative processing procedures, the relocation contract services and DNRP requirements otherwise discussed in this section apply to all authorized DoD civilian employees who choose to use the services of this program.

I. The U.S. Army Corps of Engineers (USACE) administers the DNRP for the Department of Defense worldwide following relocation policy established by the Civilian Personnel Management Service (CPMS) and the DoD Components and Agencies in accordance with the JTR, Volume II, Chapter 5. The National Relocation Program Office (NRPO) located in the Baltimore District, USACE is responsible for:

- A. Coordinating relocation services with Human Resources Offices (HRO) and transferring employees;
- B. Providing initial counseling to ensure that the transferee understands the DNRP and is ready to proceed in the DNRP process;
- C. Providing continuing direction to HROs, Department of Defense (DoD) Relocation Contractor, paying offices, and transferring employees during the process as necessary;
- D. Reviewing invoices and appraisals and forwarding invoices so that payment can be made by the appropriate paying offices.
- E. Placing BPA's against the contract to officially authorize the DoD Relocation Contractor to provide requested relocation services; and,
- F. Amending BPA's to increase or decrease funds as needed.

II. Transferring Employee's Servicing HRO is Responsible for:

- A. Communicating DoD and specific agency relocation policy and informing employee about DNRP;
- B. Verifying eligibility/entitlement and authorizing employees for DNRP services;
- C. Authorizing relocation services on original PCS travel orders;
- D. Authorizing the Home Marketing Incentive Payment (HMIP), if available;
- E. Transmitting relocation services request forms and original PCS travel orders to the NRPO; and,
- F. Amending original PCS travel orders to increase funding obligations as necessary.

III. Transferring Employee's Financial Resource Management Office is Responsible for:

- A. Certifying that funds are available for relocation services on the request form;
- B. Providing accounting citation requisition number/commitment number/purchase request number;

C. Providing correct address for POC vendor paying office for the DoD Relocation Contractor invoices;
and,

D. Processing the HMIP.

IV. Vendor Pay Office is Responsible for:

A. Paying the DoD Relocation Contractor contract invoices.

V. DoD Relocation Contractor is Responsible for:

A. Providing relocation services in accordance with contract terms and within time frames specified in the contract;

B. Communicating status, concerns, and issues to employees and NRPO; and

C. Providing invoice packages to NRPO for review and approval.

VI. Transferring Employees Who Have Been Authorized DNRP are Responsible for:

A. Requesting initiation of applicable services;

B. Listing the property with a qualified Realtor using the Addendum to Listing Agreement as part of the listing agreement;

C. Understanding and complying with DoD policy, contract requirements, the DoD Relocation Contractor procedures and NRPO requirements;

D. Leaving utilities connected and turned on when vacating the property;

E. Maintaining property insurance until the home is vacated or until the GHS offer is accepted, whichever is later;

F. Leaving home in "broom clean" condition; and

G. Completing service evaluation forms provided by the DoD Relocation Contractor and the DNRP Evaluation Form in this handbook.

SECTION 11

IMPORTANT POINTS TO REMEMBER

- You must be ready to sell your home when you enter into DNRP.
- The objective of the DNRP is to assist you to achieve a successful, timely sale of your home in the old duty station area and find suitable housing in the new location
- Your home must be listed for sale while you use DNRP (see Section 6).
- Your home must be listed for at least 60 consecutive days in conjunction with the DNRP before you may accept the DNRP relocation contractor's appraised value home buyout offer. (see Section 6).
- The Addendum to Listing Agreement is required to be part of your listing agreement with your agent (see Section 6).
- If you receive an offer to purchase your home from an outside prospective buyer, do not sign or initial an outside contract /offer/counter offer or accept a deposit (earnest money) from the potential buyer (see Section 7). Contact your relocation counselor immediately to discuss all offers received.
- Provide current commercial work, home and cell telephone numbers to your counselor.
- If using Property Management Services, a 30-day tenant vacate clause is required in your leasing agreement (see Section 8).